

THIRD QUARTER 2018 EARNINGS CONFERENCE CALL PRESENTATION



PANGAEA
LOGISTICS SOLUTIONS



SAFE HARBOR

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PANGAEA LOGISTICS SOLUTIONS LTD.

Logistics services and integrated chartering solutions provide attractive returns

1. Backhaul Focused Operator

- **Generating profit from a cost center**
 - Backhauls enhance efficiencies
 - Minimal ballast time
- **Secured and defended by operational expertise, reputation, long-term contracts and repeat customer**



2. Ice Class Trades

- **Generating profit from limited supply of tonnage, lower costs and year-round demand**
- **Secured and defended by operational expertise, and ownership of specialized 1A ice-class fleet**



3. Customized Logistics Solutions

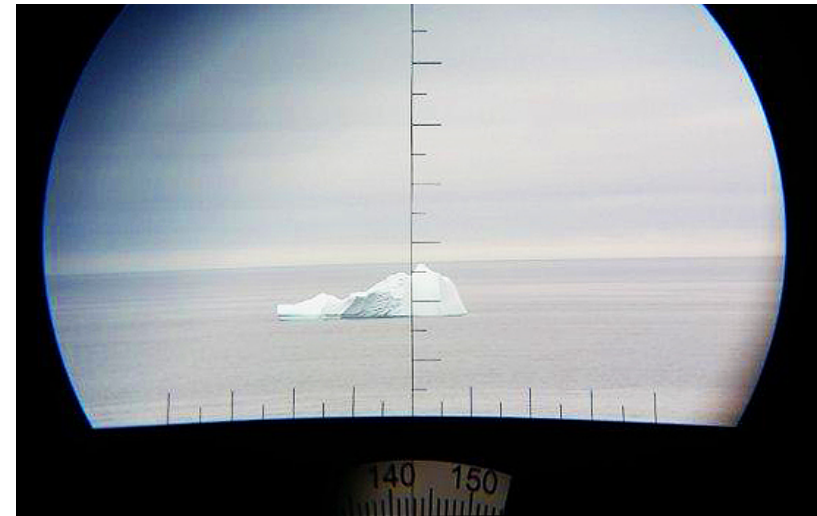
- **Generating profit from customized and complete solutions within niche dry bulk logistics trades**
 - Providing strong earnings over the long term
 - Designing custom made loading and discharge systems in critical ports, as well as optimizing delivery terms via implementation of new processes and services
- **Secured and defended by operational expertise and embedded customer relationships**



PANGAEA LOGISTICS SOLUTIONS LTD.

Pangaea concentrates on cargo movements to:

- Identify movements that require our expertise in logistics and operations
- Capitalize on movements where we can utilize our specialized fleet
- Reduce ballast legs and other costs
- Assist customers in unique or difficult trades



Allowing Pangaea to capture additional freight margin for the valued services it provides



BUSINESS HIGHLIGHTS

Q3-2018 Results

Consistent Performance

- Adjusted EBITDA⁽¹⁾ of \$16.6 million
- Net income of \$8.3 million
- Income from operations of \$12.1 million

Fleet

Working Fleet

- 19 drybulk ships and one barge in owned and controlled fleet

Operations

Extensive and varied experience

- Operating 46 vessels on average during Q3-2018
- 8 million tons loaded on 163 voyages performed for 87 clients

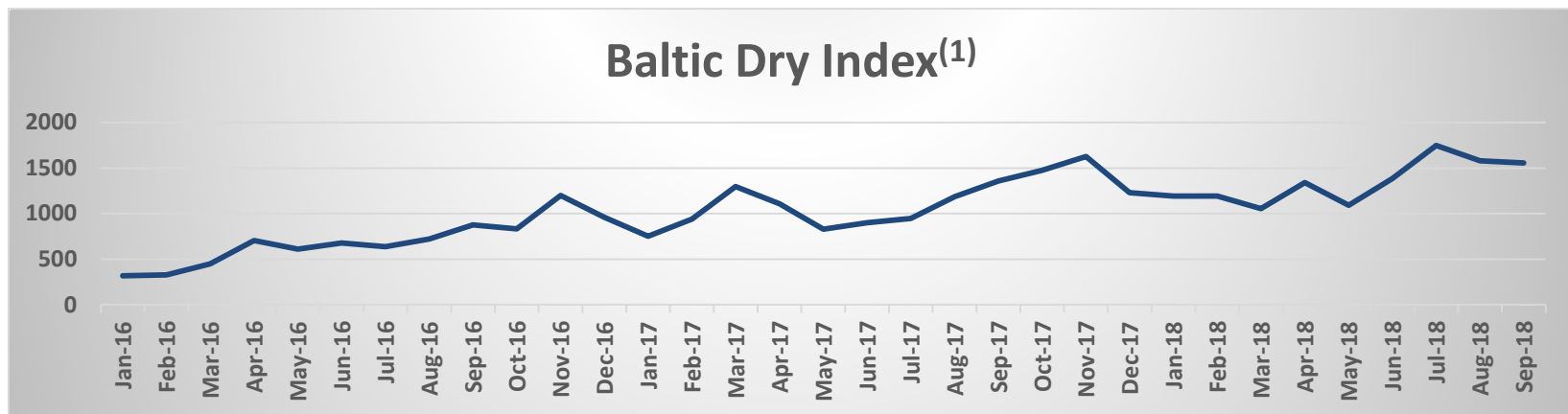
1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessel, and when applicable, loss on impairment of vessels and certain non-recurring items.

DRIVERS OF PERFORMANCE

Customer Focus: Long-term, fixed contract employment and recurring business with new and longstanding customers

Targeted Business: Specialty tonnage provides superior returns – 21% premium over average market rates in Q3 – 2018

Rate Environment: The Baltic Dry Index average for the quarter was up 40% over last year; increase in average and volatility favor our model

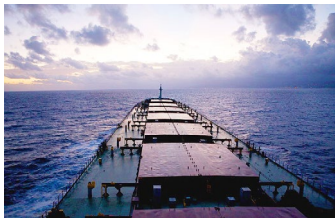


⁽¹⁾ Per reported indices



FINANCIAL HIGHLIGHTS

- 8% increase in net revenue, reflecting improvement in market fundamentals
- Increase in working capital and positive operating cash flows
- Strategic use of equity in owned vessels to raise cash for investment in high quality ships



SELECTED INCOME STATEMENT DATA

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Voyage revenue	\$ 81,813	\$ 93,689	\$ 233,979	\$ 251,608
Charter revenue	13,532	13,334	37,162	31,294
	95,345	107,023	271,141	282,902
Expenses:				
Voyage expense	36,685	44,305	104,881	124,175
Charter hire expense	28,533	34,765	81,913	91,140
Vessel operating expenses	9,864	9,144	29,760	26,810
General and administrative	3,704	4,763	12,211	11,419
Depreciation and amortization	4,411	3,951	13,140	11,604
Loss on sale of vessels	-	70	860	9,275
Total expenses	83,197	96,998	242,765	274,423
Income from operations	12,148	10,025	28,376	8,479
Total other expense, net	(1,751)	(1,267)	(5,571)	(3,901)
Net income	10,397	8,757	22,805	4,578
Income attributable to noncontrolling interests	(2,120)	(1,576)	(4,430)	(787)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 8,277	\$ 7,181	\$ 18,375	\$ 3,791
Adjusted EBITDA ⁽¹⁾	\$ 16,559	\$ 14,045	\$ 42,377	\$ 29,358

1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessel, and when applicable, loss on impairment of vessels and certain non-recurring items.

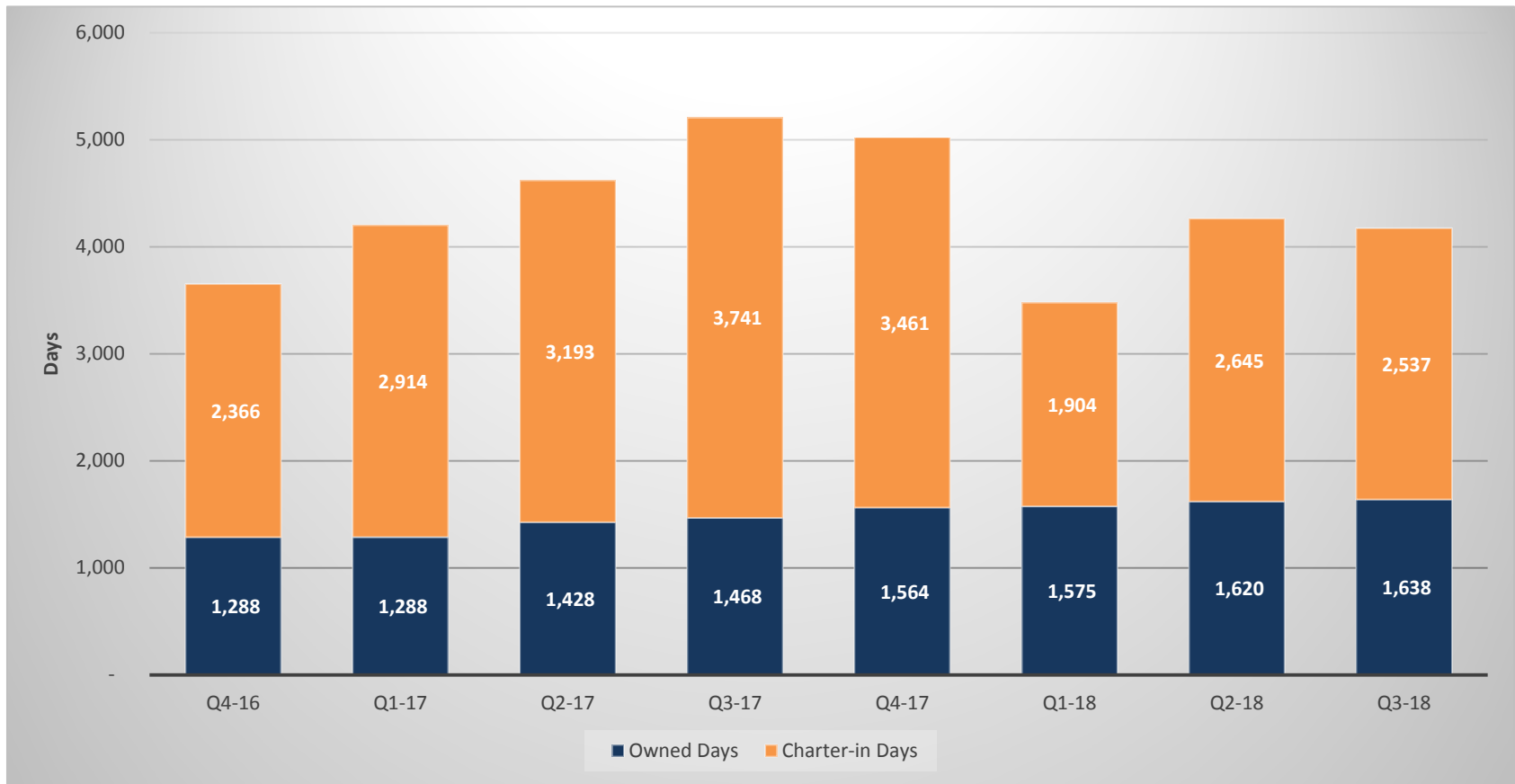


SELECTED BALANCE SHEET & CASH FLOW DATA

	September 30, 2018 (unaudited)	December 31, 2017
<i>(in thousands)</i>		
Current Assets		
Cash and cash equivalents	\$ 50,765	\$ 34,532
Accounts receivable, net	26,826	21,089
Other current assets	34,965	27,389
Total current assets	112,557	83,010
Restricted Cash	2,500	4,000
Fixed assets, including leased vessels and deposits, net	338,790	336,287
Total assets	\$453,847	\$423,297
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 30,059	\$ 29,181
Related party debt	3,701	7,010
Current portion of long-term debt and capital lease obligations	23,122	20,765
Other current liabilities	16,212	13,054
Total current liabilities	73,094	70,010
Secured long-term debt and capital lease obligations, net	148,803	142,631
Total Pangaea Logistics Solutions Ltd. equity	162,216	145,351
Non-controlling interests	69,734	65,304
Total stockholders' equity	231,950	210,656
Total liabilities and shareholders' equity	\$ 453,847	\$ 423,297
Cash flows for the nine months ended:	September 30, 2018 (unaudited)	September 30, 2017 (unaudited)
Net cash provided by operations	\$ 27,225	\$ 13,745
Net cash used in investing activities	\$ (15,005)	\$ (48,161)
Net cash provided by (used in) financing activities	\$ 2,514	\$ 39,330



TOTAL SHIPPING DAYS

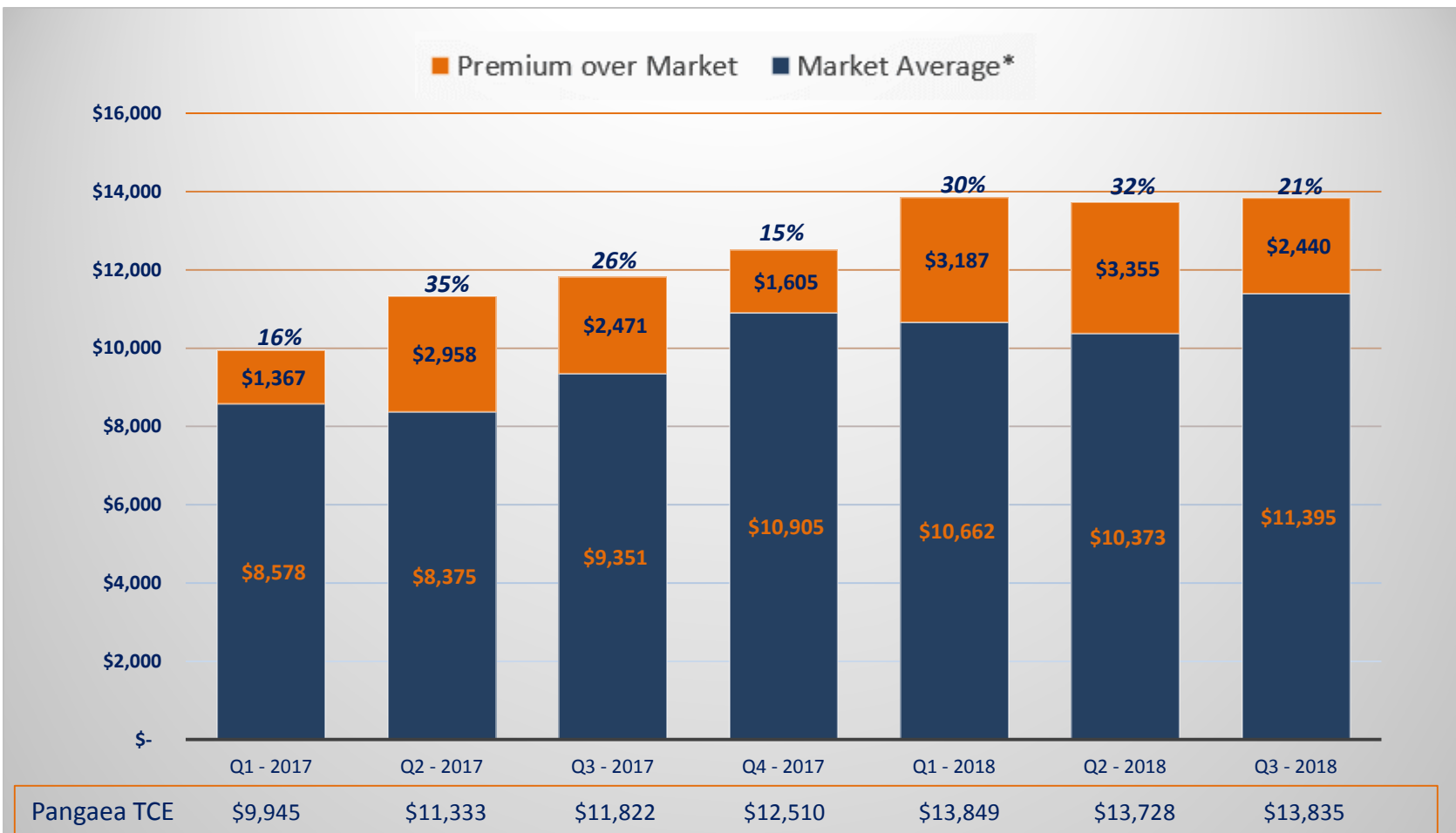


Capital Efficiency: Leveraged owned fleet by chartering-in market vessels

Flexibility: Short-term charters to react quickly and take advantage of arbitrage opportunities



PANGAEA TCE v. AVERAGE MARKET TCE



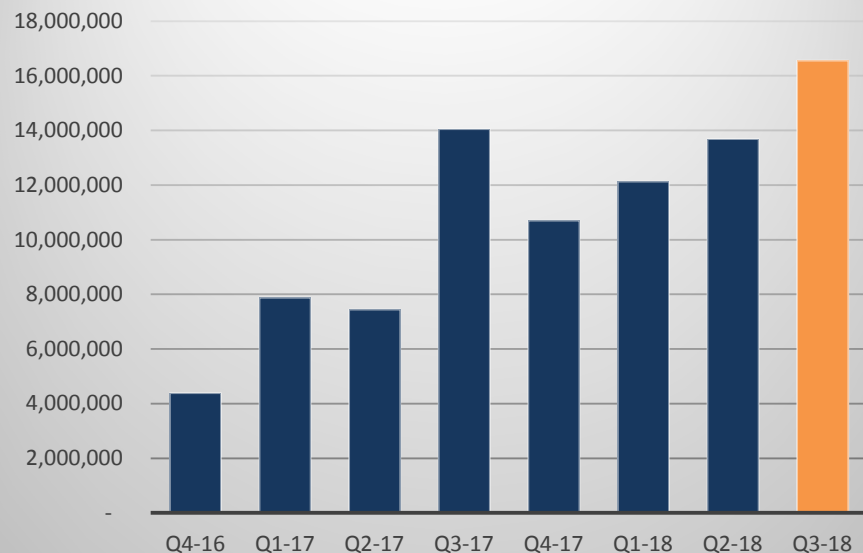
Consistent outperformance against average Panamax and Supramax index

*Average of the published Panamax and Supramax index net of commission

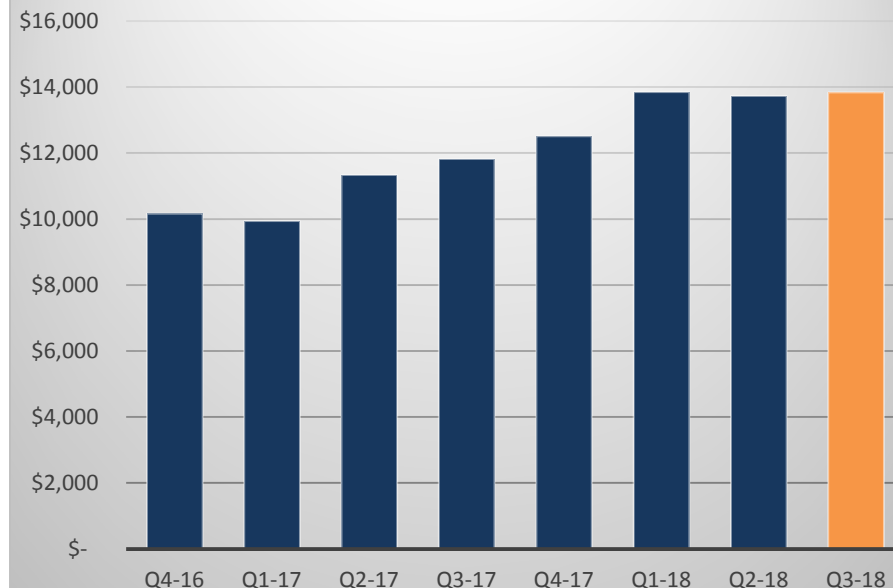


FINANCIAL PERFORMANCE Q3-2016 THROUGH Q2-2018

ADJUSTED EBITDA⁽¹⁾



TCE⁽²⁾

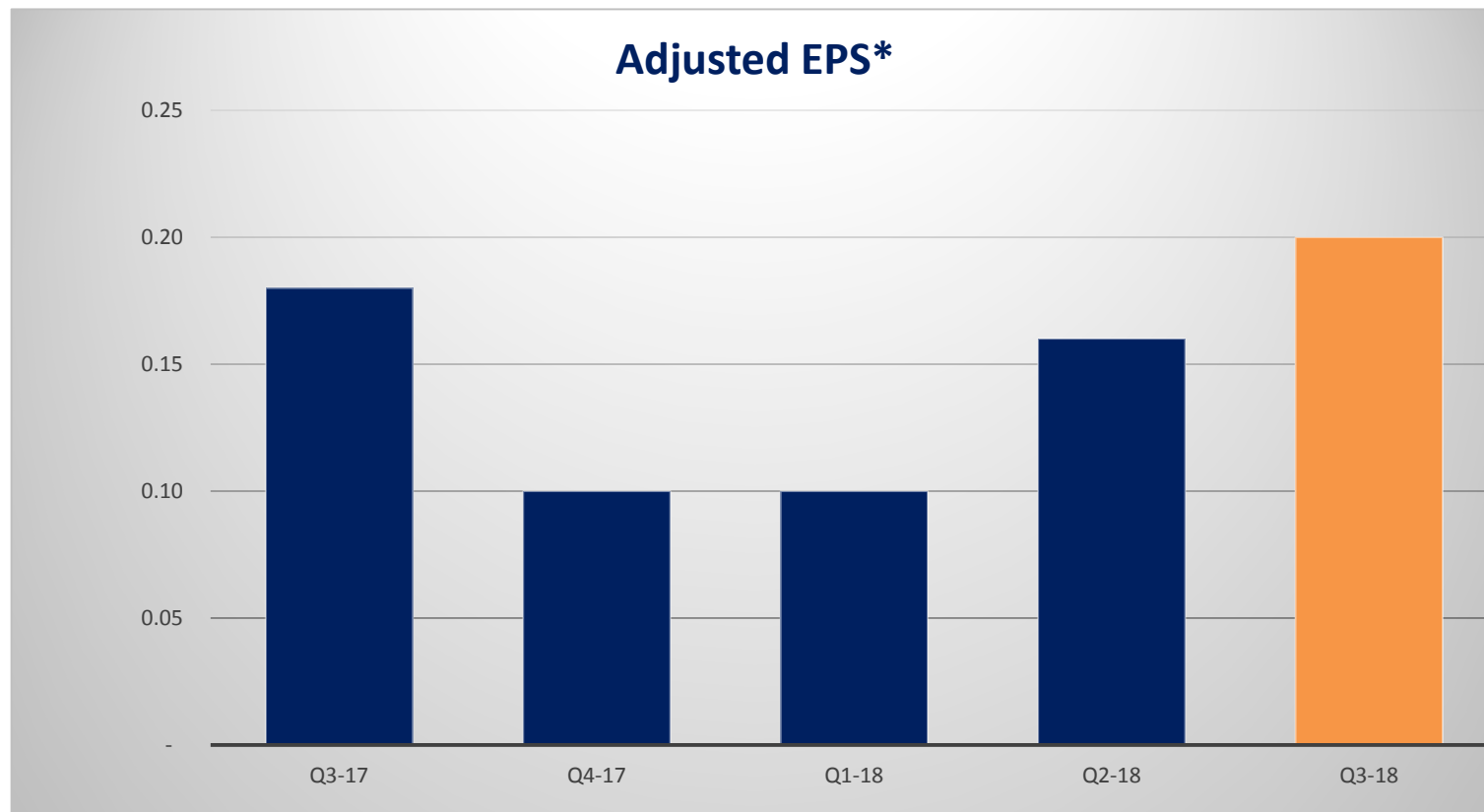


- 1) **Adjusted EBITDA** is a non-GAAP measure and represents income or loss from operations before depreciation and amortization, loss on sale and leaseback of vessels, and when applicable, loss on impairment of vessels and certain non-recurring items.
- 2) **TCE** is defined as total revenues less voyage expenses divided by the number of shipping days, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per-day amounts while charter hire rates for vessels on time charters generally are expressed in per-day amounts.



ADJUSTED EARNINGS PER COMMON SHARE

Adjusted EPS LTM total \$0.56 per share



*Adjusted earnings per share represents net income attributable to Pangaea Logistics Solutions Ltd. plus, when applicable, loss on sale and leaseback of vessel, loss on impairment of vessel and certain non-recurring charges, divided by the weighted average number of shares of common stock.

